



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

01-PRO-081

NOV 07 2000

Mr. R. D. Hanson, President
Fluor Hanford, Inc.
Richland, Washington 99352

Dear Mr. Hanson:

CONTRACT NO. DE-AC06-96RL13200 – EXECUTION OF CONTRACT MODIFICATION
M122

Enclosed for your files is one fully executed original of contract modification M122,
including one duplicate original set of Fiscal Year 2001 Performance Incentives. If you have any
questions regarding this matter, please contact me at (509) 376-8948.

Sincerely,

Sally A. Stenicki
Sally A. Stenicki
Contracting Officer

PRO:GFC

Enclosures

cc w/encls:
J. L. Jacobsen, FHI

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1 47
2. AMENDMENT/MODIFICATION NO. M122	3. EFFECTIVE DATE November 5, 2000	4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)
6. ISSUED BY U.S. Department of Energy Richland Operations Office 825 Jadwin Avenue; MSIN A7-B0 Richland WA 99352	CODE	7. ADMINISTERED BY (If other than Item 6)		CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code) Elcor Hanford, Inc. 2420 Stevens Drive P.O. Box 1000 Richland WA 99352		(X)	9A. AMENDMENT OF SOLICITATION NO.	
			9B. DATED (SEE ITEM 11)	
		X	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC06-96RL13200	
CCOE		FACILITY CODE		10B. DATED (SEE ITEM 13) 08/06/96

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment, (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment and is received prior to the opening hour and date specified.


12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in pricing office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(p).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Contract Clause H.41
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return 1 _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by DCF section headings, including solicitation/contract subject matter where feasible.)
The purpose of this modification is to incorporate the attached FY 2001 Performance Incentives (PIs) into Part III, Section J, Appendix D of the contract, and to incorporate the FY 2001 Fee Plan into Section J, Appendix H of the contract. The FY 2001 PIs are listed on page 2.

 <div> <div>Reviewed</div> <div>Approved</div> </div>		Except as provided herein, all terms and conditions of the contract referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.	
15A. NAME AND TITLE OF SIGNER (Type or print) Ron D. Hanson President and Chief Executive Officer	LEGAL	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Keith A. Klein Manager	
15B. CONTRACTOR/OFFEROR <i>Ron D. Hanson</i> (Signature of person authorized to sign)	15C. DATE SIGNED 11/2/00	15D. UNITED STATES OF AMERICA <i>Keith A. Klein</i> (Signature of Contracting Officer)	15E. DATE SIGNED 11/5/00

This modification incorporates the following F/Y 2001 performance incentives into the contract:

- | | |
|----------------------|--|
| 1. FHI-RC-1 | SNF Movement |
| 2. FHI-RC-2 | 324/327 Deactivation |
| 3. FHI-RC-3 | Disposition 200 & 300 Area Uranium |
| 4. FHI-RC-4 | Accelerate Readiness To Receive K Basin Sludge |
| 5. FHI-CP-1 | Provide Waste Management Support |
| 6. FHI-CP-2 | Stabilize Pu |
| 7. FHI-CP-3 | Manage, Treat and Dispose Radioactive Waste |
| 8. FHI-AS-1 | Assist in the Creation of Non-Hanford Jobs |
| 9. FHI-Comprehensive | Comprehensive Performance |

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Move K-Basin SNF and Sludge

**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FHI-RC-1
Performance Incentive Title: SNF Movement
Revision Number & Date: Rev. U, 10/31/00
Maximum Available Incentive Fee: 26.0% of available fee in Contract Clause B.4
Performance Incentive Type: ☒ Regular ☒ Stretch ☐ Superstretch
(Check appropriate box)

**DUPLICATE
ORIGINAL**

**SECTION 2
PERFORMANCE OUTCOMES**

Check appropriate box:

- ☒ Outcome #1: Restore the River Corridor for multiple uses
☐ Outcome #2: Transition Central Plateau to support long-term waste management
☐ Outcome #3: Put DOE Assets to work for the future

**SECTION 3
PERFORMANCE OBJECTIVE (S), MEASURE (S) & EXPECTATION (S)**

List associated performance objectives, measures, and performance expectation. Identify associated PBS# for each performance objective and/or measures as appropriate

Performance Objective: Move K-Basin SNF & Sludge

PBS# WM01

Measure 1 - Amount of fuel moved

Expectation 1: Amount of Fuel removed from KW Basin in FY01.

<u>Expectation(s)</u>	<u>Regular</u>	<u>Stretch</u>
1a: Initiate Removal of KW Basin Spent Nuclear Fuel	12/07/00	None
1b: Amount of SNF removed from the K Basins and is in transport, in CVD or at the CSB. (MCOs/MTHM):		
FY01	51/(-268)	13/(-69)
FY02	126/(-662)	TBD
FY03	119/(-624)	TBD
FY04	104/(-546)	TBD

Expectation 2: Complete KE IWTs Definitive Design

<u>Expectation(s)</u>	<u>Regular</u>	<u>Stretch</u>
Complete KE IWTs Definitive Design	5/15/01	N/A

NOTES: - It is understood that a BCR will be submitted by 12/31/00. If it is fully justified and technically sound, FY01 expectation(s) may be modified.
- FY02-FY04 metrics are for future planning purposes only. No FY01 fee is allocated to these metrics.

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Move K-Basin SNF and Sludge

**SECTION 4
FEE SCHEDULE**

Identify fee schedule by performance objective and/or measure(s)

Regular = 75% of the fee available for this Performance Incentive
Stretch = 25% of the fee available for this Performance Incentive

**DUPLICATE
ORIGINAL**

Measure 1 -

Expectation 1: Fee payment basis will be on the MCO counts, the metric ton equivalents are provided for information only.

Expectation 1a: Regular: 15% of the fee available for this Performance Incentive can be earned if the first MCO of SNF is moved from KW Basin and transported to the CVD for processing in accordance with TPA Milestone M34-16 by 12/07/00. If this milestone is not complete by 12/07/00, no FY01 incentive fee for the start of fuel removal can be earned per Contract Clause H.60.A. "SPENT NUCLEAR FUELS CONTINGENT FEE" -- Start of Fuel Removal.

Expectation 1b: Regular: 50% of the fee available for this Performance Incentive can be earned if the total amount of SNF that has been moved from KW Basin and is in transport, in CVD or at the CSB by 9/30/01 accumulates to 51 MCOs/-268 MTHM, as follows:

Incremental fee of 10% shall be earned for every 10 MCOs/-53 MTHM of fuel moved from KW Basin and are in transport, in CVD or at the CSB at any time during the fiscal year, not to exceed the total of 50% fee available for this Performance Incentive. No incremental fee is earned at any given time if the entire 10 MCOs/-53 MTHM increment is not fulfilled.

Stretch: An additional 25% of the fee available for this Performance Incentive shall be earned if an additional 13 MCOs/-69 MTHM is moved from KW Basin and are in transport, in CVD or at the CSB by 9/30/01. The fee shall be earned at the rate of 2% per MCOs/-5.3MTHM, not to exceed 25% of the fee available for this Performance Incentive. The stretch goal incentive fee can only be earned after the 51/-268 MTHM baseline commitment has been fulfilled.

Expectation 2:

Regular: 10% of the fee available for this Performance Incentive.

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Move K-Basin SNF and Sludge

**SECTION 5
PERFORMANCE REQUIREMENTS**

PREVIOUS YEAR'S GATEWAY: *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this Performance Incentive. The requirements listed below are the gateway only requirements for this Performance Incentive.*

NONE

**DUPLICATE
ORIGINAL**

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable cost variance $[(BCWP-ACWP)/BCWP]$ greater than 5%, or incur any unfavorable schedule variance $[(BCWP-BCWS)/BCWS]$ greater than 7.5%, measured at the Project Baseline Summary level at the end of the fiscal year.

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress) Include baseline documentation/data against which completion documentation should be compared.*

Measure 1 -

Expectation 1:

Expectation 1a: Regular: - Complete TPA Milestone M34-16 - Initiate Removal of K West Basin Spent Nuclear Fuel by 12/07/00. The CVD and CSB shall be ready to receive spent nuclear fuel. The spent nuclear fuel transport system shall be operable. The KW Basin spent nuclear fuel retrieval system shall begin retrieving, clearing, and packaging a minimum of 5 MTHM of spent nuclear fuel into an MCO, and the first MCO of spent nuclear will be loaded and transported to the CVD for processing.

Expectation 1b: Regular: - Subsequent to completion of Expectation 1a, continue fuel removal such that the cumulative amount of fuel that has been removed and is in transport, in CVD or at the CSB by 9/30/01 is as defined Section 4, Expectation 1b.

Expectation 1b: Stretch: - Increases the amount of fuel removed and in transport, in CVD or at the CSB by up to 13 MCOs/~69 MTHM to a total of 64 MCOs/~337 MTHM by 9/30/01. All technical Scope and cost aspects of the work to be completed for this expectation remain the same as in the Regular PI.

Expectation 2:

Regular: - Satisfactorily complete KE IWTS definitive design that factored in the lessons learned from KW IWTS design/construction issues by 5/15/01 (EGW1504998).

DEFINITIONS: *(Define terms)*

CSB	Canister Storage Building
CVD	Cold Vacuum Drying Facility
IWTS	Integrated Water Treatment System
KE	K-East Basin
KW	K-West Basin
MCO	Multi Canister Overpack
MTHM	Metric Tons of Heavy Metal
SNF	Spent Nuclear Fuel
TPA	Tri-Party Agreement

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Move K-Basin SNF and Sludge

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice, the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above.*

**DUPLICATE
ORIGINAL**

Measure 1 -

Expectation 1: Documents to be submitted include, but are not limited to the following:

- Copy of MCO Traveler documentation demonstrating that MCO has been transported from the KW Basin.

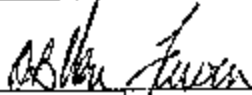
Expectation 2: Documents to be submitted include, but are not limited to the following:

- Definitive Design Report, including lessons learned and associated actions taken from KE IWTs design/construction issues by 5/15/01.
- Review Comment Resolution Disposition Form on KE IWTs Definitive Design to DOE by 5/31/01.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation).*

The quantity of approximately 5.3 MTHM per MCO as referenced in this PI is based on the total amount of SNF contained in the basins divided by 400 MCOs. It is recognized that the actual amount of MTHM in a fully loaded MCO may vary based on the type of fuel and the number of scrap baskets. It is most desirable to measure the amount of MTHM of SNF contained in each loaded MCO to account for the actual progress of cleanup.

**SECTION 6
SIGNATURES**



D. B. VanLeusen, Executive Vice President
And Chief Operating Officer
Fluor Hanford, Inc.

11/2/00
Date



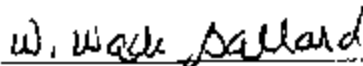
R. D. Hanson, President and CEO
Fluor Hanford, Inc.

11/2/00
Date



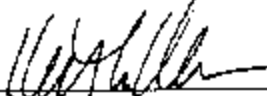
P. G. Loscoe, Director
Officer of Spent Nuclear Fuels

11/6/00
Date



W. W. Ballard, Assistant Manager
For Planning and Integration

11/3/00
Date



K.A. Klein, Manager
Richland Operations Office

11/5/00
Date

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Disposition Surplus Buildings**SECTION 1
GENERAL INFORMATION****DUPLICATE
ORIGINAL**

Performance Incentive Number: FHI-RC-2
 Performance Incentive Title: 324/327 Deactivation
 Revision Number & Date: Final 10/20/00
 Maximum Available Incentive Fee: 11.5% available fee in Contract Clause B.4
 Performance Incentive Type: ☒ Regular ☒ Stretch ☐ Superstretch
 (Check appropriate box)

**SECTION 2
PERFORMANCE OUTCOMES**

Check appropriate box:

- ☒ Outcome #1: Restore the River Corridor for multiple uses
☐ Outcome #2: Transition Central Plateau to support long-term waste management
☐ Outcome #3: Put DOE Assets to work for the future

**SECTION 3
PERFORMANCE OBJECTIVE(S), MEASURE(S) & EXPECTATION(S)**

List associated performance objectives, measures, and performance expectation. Identify associated PBSs for each performance objective and/or measures as appropriate

Performance Objective: Disposition Surplus Buildings**Measure 1 - # of buildings dispositioned****Expectation 1: - Deactivate 324****PBS RL TP-03****Regular**

Complete 20% (~\$25.5M) of the remaining 324 Building project life cycle baseline work scope; and maintain or accelerate 324 Deactivation schedule. Workscope performed must include:

- Complete B-Cell cleanup.
- Ship B-Cell Waste (LLW/TRU) to 200 Area Burial Ground.

Stretch

Complete an additional 2% (~\$2.54M) of the remaining 324 Building Project life cycle baseline work scope and improve the critical path by at least 30 days.

Expectation 2: - Deactivate 327**Stretch**

Complete additional 327 building cleanup activities. Complete 3 of the following 4:

- Complete interim cleanup of I-Cell.
- Transfer or dispose of waste.
- Disposal of 3 of the remaining 4 PNNL Legacy Waste Containers.
- Disposal of chemical inventory and mixed waste.

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Disposition Surplus Buildings**SECTION 4
FEE SCHEDULE***Identify fee schedule by performance objective and/or measure(s)*

Regular = 82% of the fee available for this Performance Incentive
 Stretch = 18% of the fee available for this Performance Incentive

**DUPLICATE
ORIGINAL****Measure 1 -****Expectation 1:****Regular:**

The Contractor shall earn 82% of the fee available for this Performance Incentive upon completion of this expectation in accordance with criteria set forth in Section 5.

The Contractor shall earn 67% of the fee available for this Performance Incentive upon completion of this expectation in accordance with criteria set forth in Section 5, but complete B-Cell cleanout and shipment of B-Cell waste by 9/30/01.

Expectation 1:**Stretch:**

Regular Performance expectation (i.e., 20% (~\$25.5M of workscope) for this Performance Incentive) must be achieved before any stretch fee can be earned.

15% of the fee available for this Performance Incentive may be earned for completion of additional work in accordance with criteria set forth in Section 5 as follows:

<u>% Completed</u>	<u>Fee Earned</u>
Less than 0.4%	0%
At least 0.4%	3% of the fee available for this Performance Incentive.
At least 0.8%	6% of the fee available for this Performance Incentive.
At least 1.2%	9% of the fee available for this Performance Incentive.
At least 1.6%	12% of the fee available for this Performance Incentive, and improve critical path by 30 days
At least 2.0%	15% of the fee available for this Performance Incentive.

Expectation 2:**Stretch:**

3% of the fee available for this Performance Incentive may be earned for completion of additional work in accordance with the criteria set forth in Section 5.

**SECTION 5
PERFORMANCE REQUIREMENTS**

PREVIOUS YEAR'S GATEWAY: *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this Performance Incentive. The requirements listed below are the gateway only requirements for this Performance Incentive.*

NONE

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable FY 2001 cost variance $[(BCWP-ACWP)/BCWP]$ greater than 5% or incur any unfavorable FY 2001 schedule variance $[(BCWP-BCWS)/BCWS]$ greater than 7.5% measured at the Project Baseline Summary level at the end of the fiscal year.

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Disposition Surplus Buildings

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared.*

Measure 1 -**DUPLICATE
ORIGINAL****Expectation 1:****Regular:**

The Contractor shall complete 20% (~\$25.5M) of the remaining 324 Building project life cycle baseline workscope by 9/30/01. The remaining 324 Building life cycle BCWS (i.e., FY02 - FY06) cannot be more than 80% of BCWS for FY01 - FY06 as established on 9/30/01 and the 324 Building deactivation will still be scheduled for completion no later than 9/29/06. The cost and schedule variance thresholds in General Requirement #2 apply in determining successful completion of this expectation.

The workscope to be completed shall include among others:

- B-Cell cleanout by 11/30/00, or a documented revised date acceptable to the signatories to the TPA, as defined by the definition of completion of TRP-99-901 as identified in the FY01 MYWP for TP-08.
- Shipment of B-Cell Waste (LLW/TRU) from B-Cell cleanout to the 200 Area by 7/31/01 as defined by the definition of completion of TRP-01-903 as identified in the FY-01 MYWP for TP-08.

The 324 Building life-cycle project critical path float is maintained with zero or positive float from the established baseline as established at the start of FY 2001, as measured at the end of FY 2001 (i.e., ground can't be lost during FY 2001 in achieving 324 Building total project completion from the status at the start of FY 2001 as measured at the end of FY 2001).

Stretch: The Contractor shall complete an additional 2% (~\$2.54M) of remaining 324 Building project life cycle baseline workscope by 9/30/01 and improve the 324 Building critical path by at least 30 days.

Expectation 2:

Stretch: The contractor shall complete 3 of the 4 activities listed below:

- Complete interim clean out of I-Cell, including the packaging and disposal of waste in the cell.
- Transfer the remaining Legacy Waste Buckets from the SERF Cell, transfer the remaining removable sample cans from Dry Storage (does not include the 6 that are stuck or any others that may become stuck), perform a visual inspection of the Dry Storage Carousel. Package the Dry Storage samples and as many Legacy Waste Buckets as possible into the remaining 4 Lead-Lined Drums (LLD's). Assay and ship the 4 LLD's plus the last LLD packaged in FY 2000 for storage and/or disposal in the 200 Area. Package and dispose of an additional 5 cubic meters of Bulk Waste.
- Retrieve, characterize, repackage and dispose of 2 of the remaining 4 PNNL Legacy Waste Containers.
- Collect, package and ship 40 fifty-five gallon drums, or an equivalent volume using alternative packaging of chemical inventory, mixed waste or hazardous waste from the 327 facility.

The life cycle project baseline for deactivation of the 324 and 327 Buildings is described by HNF-IP-1289, REV. 3, (or most current revision) "324/327 Buildings Stabilization/Deactivation Project Management Plan" and as implemented by the approved Multi-Year Work Plan and Baseline Change Requests. Successful completion of the life-cycle project baseline will require meeting the end points (as defined in HNF-2119, REV. A and HNF-2118, REV. A for 324 and 327 Buildings respectively) and placing the buildings into a low cost state for long-term surveillance and maintenance pending final decommissioning. Deactivation of the 324 Building is currently scheduled to be completed by 9/29/06 and deactivation of the 327 Building is currently scheduled to be completed by 9/7/07.

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Disposition Surplus Buildings**DEFINITIONS:** *(Define terms)*

ACWP	Actual Cost of Work Performed.
BCWP	Budgeted Cost of Work Performed.
BCWS	Budgeted Cost of Work Scheduled.
BAC	Budget At Completion.

**DUPLICATE
ORIGINAL**

Critical Path: The longest time path through a network from the initial project activity to the final project completion milestone. It is the chain of activities that controls the overall project completion time and has the least amount of total float.

EAC Estimate at Completion.

End points As defined in HNF-2119, Rev. A or as modified by the change control process.

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice, the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above.*

Measure 1 -**Expectation 1:****Regular:**

- **Letter Report:** The contractor shall submit a letter report to RL by 10/19/01, which documents:
 - Percent of the 324 Building life cycle work scope complete and associated BCWP, BCWS, and ACWP
 - What work scope was completed
 - The 324 building life cycle baseline BCWS as of 10/01/00 and 9/30/01
- **Monthly Performance Reports:** The Contractor shall monitor and provide assessment of project performance and progress. Existing documentation should be used to the extent practical. Minimum data to be provided monthly, will include the following current fiscal year cumulative to date:
 - Planned budget amount for each WBS reporting level element (BCWS)
 - Budgeted cost of work performed from life cycle baseline
 - Actual cost of work performed from Lifecycle Baseline
- **Project completion documentation** for the following milestones:
 - Completion documentation for B-Cell cleanout as defined by the definition of completion of TRP-99-901 in the FY01 MYWP for TP-08.
 - Completion documentation for Shipment of B-Cell Waste (JLW/TRU) from B-Cell cleanout to the 200 Area Burial Grounds as defined by the definition of completion of TRP-01-903 as identified in the FY01 MYWP for TP-08.
- **Completion documentation** for program milestones as described on the milestone completion sheets included in the FY01 MYWP.

Expectation 1:**Stretch:**

- **Letter Report:** The contractor shall submit a letter report to RL by 10/19/01, which documents:
 - Percent of 324 Building life cycle work scope completed and associated BCWP, BCWS, and ACWP
 - What workscope was completed
- **Baseline Change Request:** The contractor shall submit a baseline change request reflecting the acceleration in life cycle baseline schedule.
 - Critical path schedule analysis showing 324 Building critical path and total project float.

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Disposition Surplus Buildings**Expectation 2:****Stretch:**

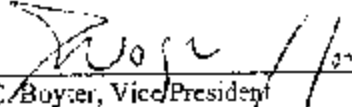
- **Letter Report:** The contractor shall submit a letter report to RL by 10/19/01, which documents:
 - The quantity of 327 Building waste and inventory packaged and shipped for storage/disposal including the associated package identification numbers.
 - Date of shipment for storage/disposal.
 - The final disposition location.
- **Baseline Change Request:** The contractor shall submit a baseline change request reflecting the acceleration in life cycle baseline schedule.
 - Critical path schedule analysis showing 327 project critical path and total project float.

**DUPLICATE
ORIGINAL**

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: (For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If the remedy is not possible the next step is renegotiation).

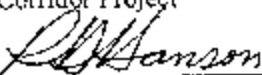
NONE

**SECTION 6
SIGNATURES**


N.C. Boyer, Vice President
River Corridor Project

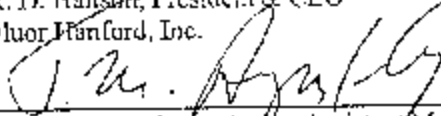
Date

11/2/00


R.D. Hanson, President & CEO
Fluor Hanford, Inc.

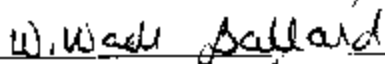
Date

11/2/00


J.M. Augustenborg, Acting Assistant Manager
For Nuclear Material & Facility Stabilization

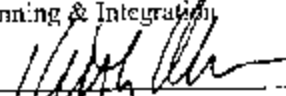
Date

11/3/00


W.W. Ballard, Assistant Manager
For Planning & Integration

Date

11/3/00


K.A. Klein, Manager
Richland Operations Office

Date

11/5/00

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Disposition 200 & 300 Area Uranium**SECTION 1
GENERAL INFORMATION****DUPLICATE
ORIGINAL**

Performance Incentive Number: FHI-RC-3
 Performance Incentive Title: **Disposition 200 & 300 Area Uranium**
 Revision Number & Date: Rev. 0, 10/31/00
 Maximum Available Incentive Fee: 1.0% of available fee in Contract Clause B.4
 Performance Incentive Type: ☐ Regular ☒ Stretch ☐ Superstretch
 (Check appropriate box)

**SECTION 2
PERFORMANCE OUTCOMES**

Check appropriate box:

- ☒ Outcome #1: Restore the River Corridor for multiple uses
☐ Outcome #2: Transition Central Plateau to support long-term waste management
☐ Outcome #3: Put DOE Assets to work for the future

**SECTION 3
PERFORMANCE OBJECTIVE(S) MEASURE(S) & EXPECTATION(S)**

List associated performance objectives, measures, and performance expectation. Identify associated PDS# for each performance objective and/or measures as appropriate

Performance Objective: Disposition Pu, U, & Cs/Sr Capsules

Measure 1 - Pu metal/oxides/other types dispositioned

Expectation 1: Disposition all uranium billets, all remaining uranium dioxide, and the surface contaminated fuel and scrap materials located in the 200 and 300 Areas.

Expectation 2: Complete the disposition of Thorium-232 located in the 303K facility.

**SECTION 4
FEE SCHEDULE**

Identify fee schedule by performance objective and/or measure(s)

Stretch Fee = 100.0% of fee available for this Performance Incentive

Measure 1 -

Stretch - Pu metal/oxides/other types dispositioned.

Expectation 1: The contractor shall earn 70% of the fee available for this Performance Incentive upon completion of this expectation in accordance with the criteria set forth in Section 5.

Expectation 2: The contractor shall earn 30% of the fee available for this Performance Incentive upon completion of this expectation in accordance with the criteria set forth in Section 5.

FY2001 CONTRACT PERFORMANCE INCENTIVE: Disposition 200 & 300 Area Uranium**SECTION 5
PERFORMANCE REQUIREMENTS**

PREVIOUS YEAR'S GATEWAY: *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this Performance Incentive. The requirements listed below are the gateway only requirements for this Performance Incentive.*

NONE

**DUPLICATE
ORIGINAL**

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable cost variance $[(BCWP-ACWP)/BCWP]$ greater than 5%, or incur any unfavorable schedule variance $[(BCWP-BCWS)/BCWS]$ greater than 7.5%, measured at the Project Baseline Summary level at the end of the fiscal year.

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared.*

Successful completion requires disposition of all identified forms of uranium by 9/30/01 to defined disposition pathway end points as defined in EA-1319 of June 2000.

Expectation 1:

- Complete the removal and property transfer of all uranium billets (approx. 235 MTU), and all remaining uranium dioxide (approx. 447 MTU) to the DOE Portsmouth Site in Ohio as agreed to in the Transfer of Nuclear Materials from the Hanford Site to the Oak Ridge Operations/Portsmouth Site Shipper/Receiving Plan of June 2000, by 3/31/01, as documented in DOE/NRC F 741 "US Department of Energy and US Nuclear Regulatory Commission Nuclear Material Transaction Report" forms.
- Complete and submit to DOE-RL an updated project management plan to remove and relocate approximately 965 MTU of unfinished and finished un-irradiated uranium fuel from the 300 Area to the final 200 Areas relocation selected sites, by 12/15/00. This includes the 140 MTU of contaminated fuel and scrap material, and the determination for the remaining fuel, on whether to continue to store it in the 300 Area or to relocate it to the 200 Areas, awaiting the Hanford Solid Waste Environmental Impact Statement record of decision determination for its disposition.
- Execute the plan to remove and relocate approx. 140 MTU of surface contaminated fuel, and scrap material by 6/30/01.

Expectation 2:

- Prepare and execute a plan to disposition thorium materials located in the 303K facility away from the 300 Area to the 200 Areas by 9/30/01.

DEFINITIONS: *(Define terms)*

As defined in EA-1319 of June 2000 (except thorium):

- Billets - Metallic forms of uranium mechanically formed into cylindrical shapes (billets) stored in the 300 Area PSS facilities
- Unfinished and finished fuel - All finished and unfinished un-irradiated uranium fuel and scrap materials stored in the 300 Area PSS facilities
- UO₂ - Uranium dioxide materials stored in the 200 and 300 Areas

Thorium - Thorium 232 materials stored in the 300 Area (303K) PSS facilities

FY2001 CONTRACT PERFORMANCE INCENTIVE: Disposition 200 & 300 Area Uranium

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice, the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above.*

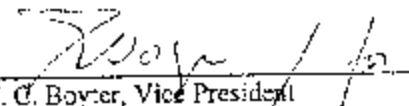
- Reconciled MC&A Documentation (DOE/NRC F 741 Forms) referenced in DOE Order 474.1.
- Updated Project Management Plan.

**DUPLICATE
ORIGINAL**

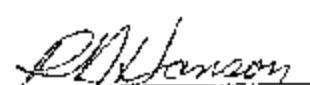
ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation).*

- If Oak Ridge Portsmouth Site stops, curtails, or refuses shipments of any uranium materials from Hanford, then this PI will be renegotiated.
- Disposition of any materials in this Performance Incentive may include DOE approval of a sales agreement.

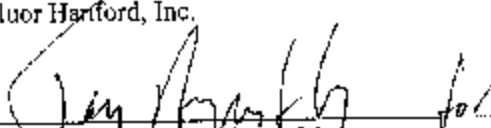
**SECTION 6
SIGNATURES**


N. C. Boyer, Vice President
River Corridor Project

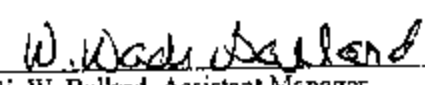
Date 11/2/00


R. D. Hanson, President and CEO
Fluor Hanford, Inc.

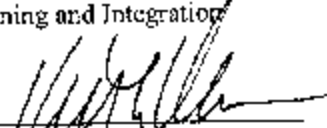
Date 11/2/00


P.M. Knollmeyer, Assistant Manager
For Nuclear Materials & Facilities Stabilization

Date 11/3/00


W. W. Ballard, Assistant Manager
For Planning and Integration

Date 11/6/00


K.A. Klein, Manager
Richland Operations Office

Date 11/5/00

FY 2001 PERFORMANCE INCENTIVE: Accelerate Readiness To Receive K Basin Sludge

**SECTION 1
GENERAL INFORMATION**

DUPLICATE
ORIGINAL

Performance Incentive Number: FHI-RC-4
Performance Incentive Short Title: Accelerate Readiness To Receive K Basin Sludge
Revision Number & Date: Rev. 0
Maximum Available Incentive Fee: 3.75 % of available fee in Contract Clause B.4
Performance Incentive Type: ☒ Regular ☐ Stretch ☐ Superstretch
(check appropriate box)

**SECTION 2
PERFORMANCE OUTCOMES**

Check appropriate box:

- ☒ Outcome #1: Restore the River Corridor for multiple uses
☐ Outcome #2: Transition Central Plateau to support long-term waste management
☐ Outcome #3: Put DOE Assets to work for the future

**SECTION 3
PERFORMANCE OBJECTIVE(S), MEASURES AND EXPECTATION(S)**

List associated performance objectives, measures, and performance expectations for FY01, FY02 & FY03. Identify associated PBS # for each performance objective and/or measures as appropriate.

Performance Objective: Move K-Basin SNF and Sludge

PBS RL - WM04

Measure 1 - Amount of Sludge removed

Expectation 1: Prepare T Plant (221-T Bldg.) Canyon Deck to Support K-Basin Sludge Receipt

Expectation(s) Regular

FY 01 Clear 10 Sections of T-Plant Canyon Deck.

Clear 4 Canyon Cells in Preparation for Receipt of K Basin Sludge Storage Canisters

FY 02 Remove all excess equipment from the Canyon Deck.

Clear 4 Cells of the Canyon.

Expectation 2: Remove Large Items from the Canyon Deck to Support K-Basin Sludge Receipt

Expectation(s) Regular

FY 01 Remove two PUREX Separation Towers from the T Plant Canyon.

FY 02 Characterize, Process, and Remove the Hydraulic Shears and the Excess Drill Press from the T Plant Canyon.

FY 2001 PERFORMANCE INCENTIVE: Accelerate Readiness To Receive K Basin Sludge**Measure 2 - Remove Shippingport Fuel from T Plant.****Expectation 1: Remove Shippingport Fuel from T Plant.****DUPLICATE
ORIGINAL****Expectation(s)****Regular**

FY 01

Complete all upgrades/modifications required for fuel movement and declare Contractor readiness for removal of Shippingport Fuel from T Plant.

FY 02

Remove all Shippingport Fuel from T Plant.

**SECTION 4
FEE SCHEDULE***Identify fee schedule by performance objective and/or measure(s)*

Regular = 100% of the fee available for this Performance Incentive

Measure 1 -**Expectation 1:** 40% of the fee available for this Performance Incentive shall be earned for completion of the expectation, earned as follows:

- 25% earned for clearing 6 sections of T-Plant Canyon Deck and 3 Canyon Cells, and
- 15% earned for clearing the remaining 4 sections of T-Plant Canyon Deck and 1 Canyon Cell.

Expectation 2: 20% of the fee available for this Performance Incentive shall be earned for removal of 2 PUREX separation towers.**Measure 2 -****Expectation 1:** 40% of the fee available for this Performance Incentive shall be earned for completion of all upgrades required for fuel movement and the issuance of a Declaration of Contractor Readiness for removal of the Shippingport Fuel from T Plant by 9/15/01

Note: Fiscal Year 02 is provided for future planning purposes only. No fee is assigned to these items in FY01.

**SECTION 5
PERFORMANCE REQUIREMENTS****PREVIOUS YEAR'S GATEWAY** Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.

NONE

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance incentive; and
2. Not incur any unfavorable cost variance $[(BCWP-ACWP)/BCWP]$ greater than 5.0 percent, or incur any unfavorable schedule variance $[(BCWP-BCWS)/BCWS]$ greater than 7.5 percent, measured at the Project Baseline Summary level at the end of FY 2000.

FY 2001 PERFORMANCE INCENTIVE: Accelerate Readiness To Receive K Basin Sludge

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared).*

**DUPLICATE
ORIGINAL**

Measure 1 -

Expectation 1: The contractor shall, by 9/30/01:

- Clear 10 Canyon Deck Sections.
- Including the removal of the Cover Blocks and inspection of 20 Canyon Cells. The inspection is to include photographs of the cells and a descriptive inventory of the equipment stored in each of the cells.
- Clear 4 Canyon Cells.

All materials and equipment removed from the canyon deck and cells shall be disposed or stored in accordance with the requirements of HNF-EP-0063. The Canyon Cells shall be cleared for receipt of K Basin Sludge storage containers. Materials and equipment removed from cleared deck sections and cells are not to be stored in the T Plant Canyon without written Contracting Officer Representative authority.

Expectation 2: The contractor shall, by 9/30/01, remove the two remaining PUREX separation towers from within the T Plant Canyon.

- Characterize, process and remove the two towers.
- The PUREX towers shall be processed such that they meet LLW disposal requirements and/or TRU storage requirements in accordance with HNF-EP-0063. Tower sections are not to be stored in the T Plant Canyon without written Contracting Officer Representative authority.

Measure 2 -

Expectation 1: The contractor shall:

- Complete all modifications and upgrades required to support fuel removal.
- Declare Contractor Readiness to Proceed with Shippingport Fuel Removal Operation by 9/15/01.

DEFINITIONS: *(define terms)*

LLW Low Level Waste.
TRU Transuranic Waste.

T Plant Canyon Deck refers to the floor level area atop the cell cover blocks within the canyon of the 221-T Building. It does not include any gallery areas. Each deck section is approximately 40 feet in length, delineated by expansion joints in the canyon vertical sidewalls, and extends for approximately 37 feet in width delineated by the canyon sidewalls. Each section is numbered according to the building section numbers located on the canyon vertical sidewalls. (For a typical layout, reference: HNF SD-WM-15B-006, *Interim Safety Basis for Solid Waste Facilities "T Plant,"* Facility Description, Figure 1 - 6).

T Plant Canyon Cells refers to the process cells below the canyon deck that are accessed by removal of the cover blocks placed on top of the majority of the cells.

Inventory for inspection of the cells is defined as a description of the equipment and materials (backed by photographic evidence of the cell contents) visible in the cell without requirement of personnel entrance into the cell.

Cleared is defined as removal from the 221-T Facility of all excess material and equipment within a numbered section of the Canyon Deck or Cell. Removal of residual radioactive contamination is not included (i.e., the area will not be decontaminated).

Shippingport Fuel is defined as the Shippingport Reactor Blanket Assembly Spent Nuclear Fuel currently stored in the Canyon Fuel Pool in Cell 2R.

PUREX towers are defined as the large chemical separation towers removed from PUREX and stored on the T Plant Canyon deck. It is expected that the two towers will have a combination of TRU and LLW components and that size reduction operations will be required to separate the TRU and LLW components.

FY 2001 PERFORMANCE INCENTIVE: Accelerate Readiness To Receive K Basin Sludge

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above).*

**DUPLICATE
ORIGINAL**

Measure 1 -

Expectation 1: The contractor shall submit to RL by 10/30/01:

- A. A letter report documenting the numbered section of deck space cleared and the material and equipment removed from the facility. The report will include:
 - Before and after photographs of each deck section cleared, and
 - An inventory of the material and equipment removed, with a listing of the storage or disposal facility(s) to which the inventory was transferred.
- B. A letter report documenting the numbered cells inspected. The report will include:
 - Photographs of each canyon cell, and
 - A description of the material and equipment contained in each cell.
- C. A letter report documenting the numbered cells cleared and the material and equipment removed from the facility. The report will include:
 - Before and after photographs of each cell cleared, and
 - An inventory of the material and equipment removed, with a listing of the storage or disposal facility(s) to which the inventory was transferred.

Expectation 2: The contractor shall submit a letter report to RL by 10/30/01, documenting the number of PUREX towers processed and removed from the facility. The report will include:

- Before and after photographs of the PUREX tower, and
- An inventory of the material and equipment removed, with a listing of the storage or disposal facility(s) to which the inventory was transferred.

Measure 2 -

Expectation 1: The contractor shall:

- A. Complete all modifications and upgrades required to support fuel removal and issue to RL a report documenting with photographs a description of the upgrades and modifications. The report is to be issued by 8/15/01. If significant upgrades are required as a result of Contractor or DOE Readiness Activities, a revision of the report is to be issued to RL by 10/20/01 documenting the upgrades.
- B. Submit to RL a letter Declaring Contractor Readiness for Operations for Removal of Shippingport Fuel from T Plant. The letter must be submitted by 9/15/01.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(For reasonably foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation)*

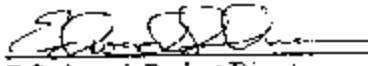
NONE

DUPLICATE
ORIGINAL


Contract Number DE-A06-RL 13200
Modification M122
Page 19 of 47

FY 2001 PERFORMANCE INCENTIVE: Accelerate Readiness to Receive K Basin Sludge

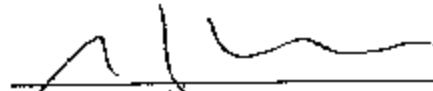
**SECTION 6
SIGNATURES**


E.S. Aronni, Project Director
Waste Management Project

11/02/00
Date


R.D. Hanson, President/CEO
Fluor Hanford, Inc.

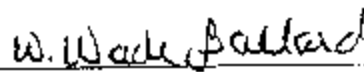
11/2/00
Date


B.G. Loscoe, Director
Office of Spent Nuclear Fuels

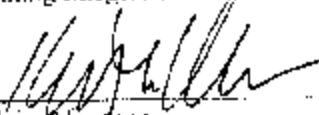
11/6/00
Date


H.E. Bilson, Assistant Manager
For Environmental Restoration and Waste Management

11/3/00
Date


W. W. Ballard, Assistant Manager
For Planning Integration

11/3/00
Date


K.A. Klein, Manager
Richland Operations Office

11/5/00
Date

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Provide Waste Management Support**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FH-CP-1
 Performance Incentive Title: Provide Waste Management Support
 Revision Number & Date: Rev. 0
 Maximum Available Incentive Fee: 4.0% of available fee in Contract Clause B.4
 Performance Incentive Type: ☒ Regular ☐ Stretch ☐ Superstretch
 (Check appropriate box)

**DUPLICATE
ORIGINAL****SECTION 2
PERFORMANCE OUTCOMES**

Check appropriate box:

- ☐ Outcome #1: Restore the River Corridor for multiple uses
☒ Outcome #2: Transition Central Plateau to support long-term waste management
☐ Outcome #3: Put DOE Assets to work for the future

**SECTION 3
PERFORMANCE OBJECTIVE(S) MEASURE(S) & EXPECTATION(S)**

List associated performance objectives, measures, and performance expectation. Identify associated PBS# for each performance objective and/or measures as appropriate

Performance Objective: Support the Treatment/Disposal of ILL Tank Waste

Measure 1 - Adequacy of Waste Management Services Support

Expectation 1: Number of 242-A Evaporator campaigns completed.

FY01 1 campaign

FY02 1 campaign

Expectation 2:

- Maintain LERF basins #42 inventory at or below 7.8 million gallons at all times.
- Maintain LERF basins #43 and #44 inventory at or below 7.8 million gallons each at all times while maintaining a 1 million gallon reserve between the two basins.
- The contractor will treat 22.6 million gallons of 200-UP-1 groundwater through the ETF from LERF basin #43 by 9/30/01.

**SECTION 4
FEE SCHEDULE**

Identify fee schedule by performance objective and/or measure(s)

Regular = 100% of the fee available for this Performance Incentive.

Expectation 1 = 40% of the fee available for this Performance Incentive.

Expectation 2 = 60% of the fee available for the Performance Incentive.

FY 2001 CONTRACT PERFORMANCE INCENTIVE: Provide Waste Management Support**SECTION 5
PERFORMANCE REQUIREMENTS**

PREVIOUS YEAR'S GATEWAY: *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this Performance Incentive. The requirements listed below are the gateway only requirements for this Performance Incentive.*

NONE

**DUPLICATE
ORIGINAL**

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable cost variance [(BCWP-ACWP)/BCWP] greater than 5%, or incur any unfavorable schedule variance [(BCWP-BCWS)/BCWS] greater than 7.5%, measured at the Project Baseline Summary level at the end of the fiscal year.

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared.*

Expectation 1: Complete processing of all available staged, sampled, and mutually compatible tank waste received from RPP no later than 6/1/01.

Expectation 2:

2a: The LERF basin #42 inventory will be maintained at 7.8 million gallons or less at all times.

2b: The inventory in LERF basins #43 and #44 will be maintained at 7.8 millions gallons or less at all times while maintaining a reserve capacity of at least 1 million gallons at all times between the two basins.

2c: The contractor will complete treatment of 22.6 million gallons of 200-UP-1 groundwater through the ETF from LERF basin #43 by 9/30/01.

DEFINITIONS: *(Define terms)*

ETF Effluent Treatment Facility

LERF Liquid Effluent Retention Facility - The LERF is a final status waste management unit with three separate basins. The LERF predominantly stores all influent waste streams for subsequent treatment through the ETF.

LERF basin #s 43 & 44 are currently interim storage units for all CERCLA waste streams.

LERF basin #42 is an interim storage unit for all RCRA waste streams.

RPP River Protection Project.

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice, the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above.*

Expectation 1: A letter report to RL within 45 calendar days after process campaign completion. The report will document the processing of tank waste and indicate completion of at least 85% of the waste volume reduction goal identified in the Process Control Plan. The report shall include at least the total waste received, waste volume reduction calculations, total operating efficiency calculations and the associated process control plan.

Expectation 2 a & b:

A letter report to RL by 10/19/01 documenting successful maintenance of 1,000,000 gallons of excess LERF basin capacity without disrupting CERCLA wastewater feeds to LERF basins. The report shall include a daily log of basin inventories.

Expectation 2c: A letter report to RL by 10/19/01 documenting treatment of 22.6 million gallons of UP-1 groundwater.

FY 2001 PERFORMANCE INCENTIVE: Provide Waste Management Support

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation).*

**DUPLICATE
ORIGINAL**

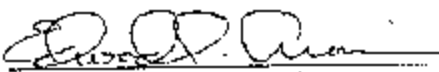
Expectation 1:

1. RPP will complete all maintenance activities necessary to support operation of the 242-A Evaporator prior to a declaration of waste availability.
2. In the event waste is not available for a campaign by June 1, 2001, Expectation 1 of this PI will be reassessed.

Expectation 2:

1. The ER Contractor will maintain operation of the UP-1 pump through FY-2001 at an average flow rate capable of providing LWPF with 22.6 million gallons of groundwater by 9/28/01

**SECTION 6
SIGNATURES**



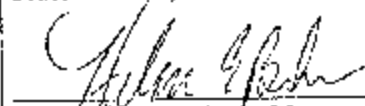
E. S. Aromi, Sr. Project Director
Waste Management Project

11/02/00
Date



R. D. Hanson, President & CEO
Fluor Hanford, Inc.

11/2/00
Date



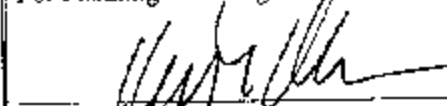
H. E. Dilson, Assistant Manager
For Environmental Restoration & Waste Management

11/2/00
Date



W. W. Ballard, Assistant Manager
For Planning and Integration

11/3/00
Date



K.A. Klein, Manager
Richland Operations Office

11/5/00
Date

FY 2001 PERFORMANCE INCENTIVE: Stabilize Pu

SECTION 1
GENERAL INFORMATION

Performance Incentive Number: FHI-CP-2
 Performance Incentive Short Title: Stabilize Pu
 Revision Number & Date: Rev. 0, 10/31/00
 Maximum Available Incentive Fee: 25.25% of available fee in Contract Clause B.4
 Performance Incentive Type: ☒ Regular ☒ Stretch ☐ Superstretch
 (check appropriate box)

DUPLICATE
ORIGINALSECTION 2
PERFORMANCE OUTCOMES

Check appropriate box:

- ☐ Outcome #1: Restore the River Corridor for multiple uses
☒ Outcome #2: Transition Central Plateau to support long-term waste management
☐ Outcome #3: Put DOE Assets to work for the Future

SECTION 3
PERFORMANCE OBJECTIVE(S), MEASURES AND EXPECTATIONS(S)

List associated performance objectives, measures, and performance expectations. Identify associated PBS # for each performance objective and/or measures as appropriate.

Performance Objective: Disposition Pu, U, & Cs/Sr Capsules

PBS RL TP-05

Measure 1 - Pu metal/oxides/other types dispositioned

1a: Pu metal/oxide/polyoxides stabilized (items)**

Expectation (s)	Regular	Stretch
FY00	400	Actual (574)
FY01	527	Up to 800 @ 15 increment
FY02	1428	NA
FY03	2295	NA
FY04	1081 (remaining qty.)	NA

1b: Pu Solutions stabilized (liters)**

Expectation (s)	Regular	Stretch (TBD)
FY00	255 (Actual = 110)	Actual (0)
FY01	2190 (2045 + 145)	Up to 2870 @ 40 increment
FY02	1960 (remaining qty.)	NA
FY03	0	NA
FY04	0	NA

NOTE: It is understood that a DCR will be submitted by 12/15/00. If it is fully justified and technically sound, this expectation may be modified.

1c: Pu Residues stabilized (Kg bulk)

Expectation (s)	Regular	Stretch
FY00	29 (Actual = 29)	Actual (0)
FY01	Balance of RFETS Ash	NA

FY 2001 PERFORMANCE INCENTIVE: Stabilize Pu

2. Package Stabilized Pu in DOE-STD-3013 compliant containers.

Expectation**Stretch**

Repackage backlog items, those items stabilized in FY99 & FY00 and packaged in foodpack cans.

**DUPLICATE
ORIGINAL**

3. Pu Stabilization and Packaging Milestone completion:

Expectation**Regular**

DNFSB Milestones identified in the current DOE Implementation Plan for the DNFSB Recommendation 94-1/2000-1 for plutonium stabilization and packaging will be met.

Note: FY92 through FY04 quantities are provided for planning purposes only. No fee is assigned to these items in FY 2001.

**SECTION 4
FEE SCHEDULE**

Identify fee schedule by performance objective and/or measure(s)

Regular = 75% of the fee available for this Performance Incentive

Stretch = 25% of the fee available for this Performance Incentive

Measure 1 -

- 1a: Pu metal/oxide/polycube stabilized (items)**

For polycubes only, the definition of an item varies depending on the number of foodpack cans of polycubes stabilized. For the first 51 cans stabilized, whether as part of the regular or stretch expectation, one can equals one item. For all subsequent cans stabilized, one can equals three items. This is for fee calculation purposes.

Regular = 30% of available fee for this PI shall be earned as follows:

420 items = 15.0% of available fee for this PI

475 items = 22.5% of available fee for this PI

527 items = 30.0% of available fee for this PI

Stretch = 10% of available fee for this PI shall be earned as follows:

545 items = 1.0% of available fee for this PI

560 items = 1.5% of available fee for this PI

575 items = 2.0% of available fee for this PI

590 items = 2.5% of available fee for this PI

605 items = 3.0% of available fee for this PI

620 items = 3.5% of available fee for this PI

635 items = 4.0% of available fee for this PI

650 items = 4.5% of available fee for this PI

665 items = 5.0% of available fee for this PI

680 items = 5.5% of available fee for this PI

695 items = 6.0% of available fee for this PI

710 items = 6.5% of available fee for this PI

725 items = 7.0% of available fee for this PI

740 items = 7.5% of available fee for this PI

755 items = 8.0% of available fee for this PI

770 items = 8.5% of available fee for this PI

785 items = 9.0% of available fee for this PI

800 items = 9.5% of available fee for this PI

800 items = 10 % of available fee for this PI

FY 2001 PERFORMANCE INCENTIVE: Stabilize Pu**1b: Pu Solutions stabilized (liters)******Regular** = 30% of available fee for this PI shall be earned as follows:

2008 = 15.0% of available fee for this PI

2100 = 22.5% of available fee for this PI

2190 = 30.0% of available fee for this PI

Stretch = 12.5% of available fee for this PI shall be earned as follows:

2230 liters = 1.0 % of available fee for this PI

2270 liters = 1.75% of available fee for this PI

2310 liters = 2.5% of available fee for this PI

2350 liters = 3.25% of available fee for this PI

2390 liters = 4.0% of available fee for this PI

2430 liters = 4.75% of available fee for this PI

2470 liters = 5.5% of available fee for this PI

2510 liters = 6.25% of available fee for this PI

2550 liters = 7.0% of available fee for this PI

2590 liters = 7.75% of available fee for this PI

2630 liters = 8.5% of available fee for this PI

2670 liters = 9.25% of available fee for this PI

2710 liters = 10% of available fee for this PI

2750 liters = 10.75% of available fee for this PI

2790 liters = 11.5% of available fee for this PI

2830 liters = 12.25% of available fee for this PI

2870 liters = 12.5% of available fee for this PI

**DUPLICATE
ORIGINAL****1c: Pu Residues stabilized (Kg bulk)****Regular** = 15% of available fee for this PI shall be earned as follows:

240 Kg bulk = 7.5%

270 Kg bulk = 11.25

300 Kg bulk = 15%

2. Package Stabilized Pu in DOE-STD-3013 compliant containers. ****Regular** = N/A**Stretch** = 2.5% of available fee for this PI shall be earned as follows:

30 items packaged = .25% of available fee for this PI

60 items packaged = .5% of available fee for this PI

90 items packaged = .75% of available fee for this PI

120 items packaged = 1.0% of available fee for this PI

150 items packaged = 1.25% of available fee for this PI

180 items packaged = 1.5% of available fee for this PI

210 items packaged = 1.75% of available fee for this PI

240 items packaged = 2.0% of available fee for this PI

270 items packaged = 2.25% of available fee for this PI

300 items packaged = 2.5% of available fee for this PI

3. Pu Stabilization and Packaging Milestone completion:

Negative = Up to 8% of available fee for this PI may be forfeited for failing to meet the DNFSB milestone identified in the current DOE Implementation Plan for DNFSB Recommendation 94-1/2000-1 as modified (see Section 5, Define Completion) at a rate of 1/2% per each week late per milestone. Penalty not to exceed amount of fee earned for this PI.

**Each item or liter placed only in a BTS can and not in a 3013 container shall only earn 75% of the fee available for that item or liter.

FY 2001 PERFORMANCE INCENTIVE: Stabilize Pu**SECTION 5
PERFORMANCE REQUIREMENTS**

PREVIOUS YEAR'S GATEWAY: *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.*

DUPLICATE

FY2000 baseline work scope must be completed before any FY2001 fee may be earned. These are included in the regular numbers in Section 3; i.e., 1b Pu Solutions.

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable cost variance $[(BCWP-ACWP)/BCWP]$ greater than 5.0 percent, or incur any unfavorable schedule variance $[(BCWP-BCWS)/BCWS]$ greater than 7.5 percent, measured at the Project Baseline Summary level at the end of FY 2001.

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared).*

Measure 1 -

The plutonium materials stabilization is considered complete when:

Expectation 1a: Plutonium oxides are considered stabilized when they have met the DOE-STD-3013 stabilization criteria (thermally stabilized at 950 degrees C for two hours, have a measured moisture content, of less than 0.5%), and are packaged and placed in vault storage.

Plutonium metal and metal alloys are considered stabilized when it has been brushed to remove surface oxide and has been packaged and placed in vault storage. The brushed oxide must be treated as described above. Plutonium metal and metal alloys may be stabilized via oxidation and the oxide created stabilized as described above.

Polymeres are considered stabilized when they have been treated to eliminate the organic constituents, the residue of that process has been thermally stabilized to meet the DOE-STD-3013 stabilization criteria (950 degrees C for two hours, moisture content of less than 0.5% has been measured), and the stabilized material is packaged and placed in vault storage.

Other nuclear material items (see items definition) may be counted toward the stretch portion of expectation 1a and are considered stabilized when they have been sent to another site for treatment or disposition. Other materials removed from the PEP inventories through other means (e.g., sent to tank farms, packaged as waste) shall also be considered dispositioned.

Expectation 1b: Plutonium solution is considered stabilized when the plutonium has been separated from the solution, the plutonium residue has been thermally stabilized to meet the DOE-STD-3013 stabilization criteria (950 degrees C for two hours, moisture content of less than 0.5% has been measured), and the stabilized material is packaged and placed in vault storage.

Expectation 1c: Plutonium residues are considered stabilized when they are treated (if required) and placed in a drum/pipe, and meet the Hanford Site Waste Acceptance Criteria which incorporates the current WIPP Waste Acceptance Criteria (WAC) requirements. Residues shall be packaged as appropriate to meet Hanford Site Solid Waste Acceptance Criteria (HNF-0063) and WIPP WAC requirements.

DUPLICATE
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FY 2001 PERFORMANCE INCENTIVE: Stabilize Pu

Expectation 2: For purposes of this measure, the plutonium is considered packaged when the material and packaging meet the requirements of the DOE-STD-3013 and placed into vault storage.

NOTE: For purposes of both Expectation 1 (a, b, and c) and 2, plutonium oxides, metal, polycubes, alloys, solutions and residues are also considered stabilized when they have been sent to another site for treatment or disposition. Plutonium materials (Pu, Pu + U) removed from the Hanford DNFSB 94-1/2000-1 inventories through other means (e.g., sent to the Hanford Tank Farms) shall also be considered stabilized.

Expectation 3: Milestones:
Complete brushing and repackaging of metal inventory: 3/31/01 (Metal in inner BTS containers by 3/31/01. Corrosion products will be in inner BTS cans by 4/30/01 and all material in outer 3013 containers by 8/1/01).

Ship aluminum alloys to SRS or package for disposition to WIPP. Brush and package remaining alloys at PFP: 6/30/01.

Completion of the DNFSB milestone is considered met when all material of a category identified in the DOE Implementation Plan for Recommendation from 94-1/2000-1 has been stabilized and/or dispositional in accordance with the criteria established by 1a, 1b, and 1c above.

DEFINITIONS: (define terms)

Balance of RFETS Ash	All remaining Rocky Flats Ash inventory stored at PFP as of 10/1/2000 (nominally 300 kg bulk weight) except those items required to be held back for later WIPP analysis and for use as NDA standards.
BTS	Bagless Transfer System.
HCC	Hanford Convenience Can.
Items	For purposes of calculating oxides/metal/alloys/polycubes, an item is assumed to be Foodpack cans. One foodpack can of Polycubes is counted as three items toward completion of the measure. For the items of metal requiring oxidation above the 10% of inventory assumed in the baseline plan for oxidation will count as four items toward completion of the measure. However, this shall not change the method of reporting MYWP and EM performance metrics. Also, the nuclear material dispositioned may be counted toward the oxides/metal/polycubes stretch quantities at the following rates: <ul style="list-style-type: none">Other Pu isotopes - One for One.HEU - One for One.Source material (LEU, NU, DU & Thorium) - One Quarter for One.Other materials (Americium, Berkelium, Californium, Neptunium, Curium, Deuterium, Lithium and tritium) - One for One.
Kg Bulk	Gross Weight documented by nuclear material inventory records.
Liters	For purposes of calculating liters processed, it is assumed that each solution bottle contains the full volume of solutions (e.g. A 10 liter bottle containing 8 liters is considered to contain 10 liters of solution).
Moisture Content Measurement	A test to determine product moisture content using Loss On Ignition (or approved substitute, i.e., Super Critical Fluid Extraction or Neutron Moderation).
Vault Storage	DOE-STD-3013 compliant container placed into one of the following vaults for storage 234-5Z, 2736-7B, 2736Z or an RL approved alternate storage.
WIPP	Waste Isolation Pilot Project.

DUPLICATE
ORIGINAL

Contract Number DE-AC06-RI 13200
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FY 2001 PERFORMANCE INCENTIVE: Stabilize Pu

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above).*

The documentation which must be readily available and an item crosswalk document provided to demonstrate completion of this Performance Incentive:

(The documents listed below may be classified, and the document record number will be referenced in the Completion Package).

Measure 1 -

- 1a: For plutonium oxides (PU, PU+U), a table providing each original container number, the run number it was processed in, the moisture content sample results for that run (including sample number), and current vault storage container number shall be provided.

For plutonium metal brushed, a table providing the original item container number for each metal piece dispositioned, the original metal weight per established records, the new metal weight after brushing, the current vault storage container number, the date of brushing and the date of stabilization of the brushed oxide, moisture content data for the brushed oxide, and the current vault storage container number for the brushed oxide.

For plutonium metal oxidized, a table providing the original container number for each metal piece dispositioned, the run number it was processed in, the moisture content sample results for that run (including sample number), and current vault storage container number shall be provided.

For polycubes, a table providing each original container number, the run number(s) it was processed in, the moisture content sample results for those runs (including sample number), and current vault storage container number shall be provided.

For other materials dispositioned, a table providing each original container number, and documentation of the disposition path.

- 1b: For plutonium solutions, the bottle numbers associated with each batch, the furnace run numbers for the resulting precipitate treatment (or prototype calciner or other labs run number), moisture content data for those runs, and current vault storage container numbers. Note: It is recognized that there will likely be some mixing of solution between runs as the result of heels. It is not expected that this be accounted for in the data provided for this Performance Incentive.
- 1c: For plutonium residues, a table providing each original container number and its bulk weight, the treatment/repackaging run number, the can number of the material after treatment/repackaging, and the WIPP drum or pipe number it was placed in and the approved Waste Profile Sheets for each container. A list of Ash items (container numbers and gross weight) held back pending WIPP analysis and for use as NDA standards, including a justification for the number of items required to meet the WIPP analysis and NDA standards.
2. For stabilized plutonium packaged into DOE-SFD-3C13 compliant containers, a table providing the current vault storage container number, leak check results and a crosswalk to the items stabilized in FY99 and FY00 and placed in foodpack cans.
3. For milestone completion, a letter shall be transmitted to RL documenting the milestone completion.

Records shall be available that can be used to verify the data in the table provided.

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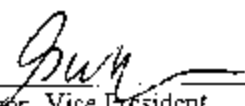
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FY 2001 PERFORMANCE INCENTIVE: Stabilize Pu

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiations).*

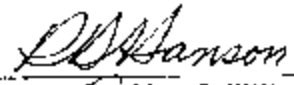
1. The WIPP waste acceptance criteria (WAC) currently being used to develop the Hanford Site Solid Waste Acceptance Program will be used to develop the Plutonium residues disposition path forward at PFP. If changes to the WIPP WAC and Hanford Site Solid Waste Acceptance Criteria place additional requirements on PFP, this PI will be revisited.
2. LOI and SFE will remain an acceptable method for measuring moisture content of the material covered by this PI to demonstrate meeting the DOE STD-3013 stabilization standard. If the standard is updated this PI will be revisited.
2. This PI is based on a funding level of \$95,617,000 (FH-2000-002) and the currently approved PFP Basis of Estimate.

SECTION 6
SIGNATURES


G. W. Jackson, Vice President
Nuclear Material Stabilization

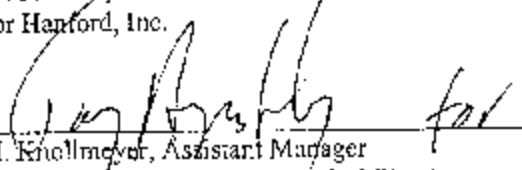
Date

11/02/00


R. D. Hanson, President & CEO
Fluor Hanford, Inc.

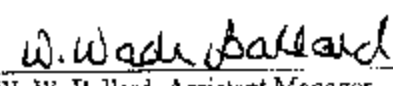
Date

11/2/00


P.M. Knollmeyer, Assistant Manager
For Nuclear Materials & Facility Stabilization

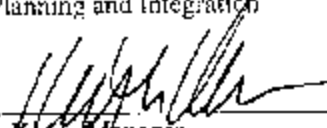
Date

11/3/00


W. W. Ballard, Assistant Manager
For Planning and Integration

Date

11/3/00


K. A. Klein, Manager
Richland Operations Office

Date

11/5/00

FY 2001 PERFORMANCE INCENTIVE: Manage, Treat, and Dispose of Radioactive Waste

**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FHI-CP-3
Performance Incentive Short Title: Manage, Treat and Dispose Radioactive Waste
Revision Number & Date: Rev. 0
Maximum Available Incentive Fee: 8.5% of available fee in Contract Clause B.4
Performance Incentive Type: ☒ Regular ☒ Stretch ☐ Superstretch
(check appropriate box)

**DUPLICATE
ORIGINAL**

**SECTION 2
PERFORMANCE OUTCOMES**

Check appropriate box:

- ☐ Outcome #1: Restore the River Corridor for multiple uses
☒ Outcome #2: Transition Central Plateau to support long-term waste management
☐ Outcome #3: Put DOE Assets to work for the future

**SECTION 3
PERFORMANCE OBJECTIVE (S), MEASURES AND EXPECTATION (S)**

List associated performance objectives, measures, and performance expectations for FY01. Identify associated PBS # for each performance objective and/or measures as appropriate.

Performance Objective: Manage, Treat, and Dispose of Radioactive Waste.

Measure 1 - MLLW Treated and Disposed

PBS RL - WM04

Expectation 1:	<u>Regular</u>	<u>Stretch</u>
Treat and Dispose of MLLW.	420 m ³	100 m ³ and EC-1 Condensers

Measure 2 - TRU and/or TRUM certified for Shipment to WIPP

PBS RL - WM04

Expectation 1:	<u>Regular</u>	<u>Stretch</u>
Certify TRU and/or TRUM	33 m ³	9 m ³

Measure 3 - Retrieve Stored Suspect TRU

PBS RL - WM04

Expectation 1:	<u>Stretch</u>
Retrieve remaining uncovered vented drums (approximately 600 drums).	

FY 2001 PERFORMANCE INCENTIVE: Manage, Treat and Dispose of Radioactive Waste

**FEE SCHEDULE
SECTION 4**

Identify fee schedule by performance objective and/or measure(s)

Regular Fee = 79% of fee available for this Performance Incentive.
Stretch Fee = 21% of fee available for this Performance Incentive.

**DUPLICATE
ORIGINAL**

Measure 1 - MLLW Treated and Disposed.

- Expectation 1:** Regular - 40% of the fee available for this Performance Incentive shall be earned for the treatment and disposal, and/or direct disposal of 420 m³ of MLLW.
Stretch - 5.6% of the fee available for this Performance Incentive shall be earned for the treatment and disposal, and/or direct disposal of an additional 100 m³ of MLLW and the disposal of the two excess 242-A Evaporator EC-1 Condensers.

Measure 2 - Certify for Shipment TRU and/or TRUM.

- Expectation 1:** Regular - 39% of the fee available for this Performance Incentive shall be earned for the certification for shipment of 33 m³ of TRU and/or TRUM.
Stretch - 10% of the fee available for this Performance Incentive shall be earned for the certification for shipment of an additional 9 m³ of TRU and/or TRUM.

Measure 3 - Retrieve Stored Suspect TRU.

- Expectation 1:** Stretch - 5.4% of the fee available for this Performance Incentive shall be earned for the retrieval of remaining uncovered vented drums (approximately 600 drums).

**SECTION 5
PERFORMANCE REQUIREMENTS**

PREVIOUS YEAR'S GATEWAY: *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.*

NONE

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable cost variance [(BCWP-ACWP)/BCWP] greater than 5.0 percent, or incur any unfavorable schedule variance [(BCWP-BCWS)/BCWS] greater than 7.5 percent, measured at the Project Baseline Summary level at the end of FY 2001.

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared).*

Measure 1 -

Expectation 1:

Regular: The contractor shall have treated and disposed, and/or direct disposed, a minimum of 420 m³ (pretreatment volume) of MLLW into Hanford's RCRA Subtitle-C lined landfills and/or the unlined LLW landfills (as regulatorily applicable and in accordance with HNF-EP-0063), by 9/30/01. The volume of the EC-1 condensers may not be counted for this portion (i.e., toward the 420 m³) of this expectation.

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FY 2001 PERFORMANCE INCENTIVE: Manage, Treat and Dispose of Radioactive Waste

Stretch: The contractor shall have treated and disposed, and/or direct disposed, a minimum of 100 m³ (pretreatment volume) of additional MLLW (above 420 m³) into Hanford's RCRA subtitle-C lined landfills and/or the unlined LLW landfills (as regulatorily applicable and in accordance with HNF-EP-0063), by 9/30/01. The volume of the EC-1 condensers may not be counted for this portion (i.e., toward the 100 m³) of the stretch portion.

The contractor shall have treated and disposed the two EC-1 condensers into either Hanford's RCRA subtitle-C landfills and/or the unlined LLW landfills (as regulatorily applicable and in accordance with HNF-EP-063) by 9/30/01. The condensers include the legacy condenser stored at the T Plant Complex as well as the condenser to be removed from 242-A as part of FY 2001 upgrades.

Reactor compartment disposal does not count towards this Performance Incentive Measure (Regular or Stretch).

Measure 2 -

Expectation 1:

Regular: The contractor shall complete certification for shipment to WIPP a minimum of 33 m³ of TRU and/or TRUM by 9/30/01.

Stretch: The contractor shall complete certification for shipment to WIPP, a minimum of an additional 9 m³ of TRU and/or TRUM by 9/30/01.

Measure 3 -

Expectation 1:

Stretch: The Contractor shall retrieve the remaining inventory of vented uncovered CH suspect TRU drums (approximately 600 drums) from interim storage in the Low Level Burial Grounds (LLBG) by 9/30/01. Retrieval shall consist of removing the drums from a stack and making a waste designation as to TRU or LLW, either by assaying the drums or through an alternate RL approved methodology. Removal of the drums from the Low Level Burial Grounds is not required to earn the fee for this measure.

DEFINITIONS: (define terms)

CH	Contact-Handled.
RH	Remote-Handled.
WIPP	Waste Isolation Pilot Plant.
WAC	Waste Acceptance Criteria.

The definitions of transuranic waste (TRU), transuranic mixed waste (TRUM), low-level waste (LLW), and mixed waste (MLLW) are the same as those provided in DOE Order 435.1. Mixed waste is synonymous with mixed low-level waste.

Disposal is defined as the placement of compliant waste into the appropriate waste trench based on the waste acceptance and permit criteria, and/or MLLW that exits regulatory requirements after treatment and is disposed into the low level burial ground trenches.

Uncovered drums are defined as those drums that can be removed (as part of a complete row) from a stack without movement of soil (not including blown sand), cutting or removal of plywood partially covered by overburden or upper tier rows.

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FY 2001 PERFORMANCE INCENTIVE: Manage, Treat and Dispose of Radioactive Waste

Retrieval is defined as removing the drums from a stack and making a waste designation as to TRU or LLW, either by assaying the drums or through an alternate RL approved methodology. Removal of the drums from the trench is not required. Retrieval (as defined above) of unvented drums is not included in the work scope of this Performance Incentive.

Certification for shipment to WIPP for TRU and/or TRUM is defined as performing the necessary data reconciliation activities for each container per Attachment 2 (Reconciliation with Data Quality Objectives) of procedure WMH-400, Section 7.1.1.

One cubic meter (m³) of TRU and/or TRUM is defined as five 55-gallon drums or one standard waste box containing TRU and/or TRUM.

Direct disposal is defined as MLLW that meets the disposal criteria for Hanford's Subtitle-C lined landfills in the "as received" condition from a generator. Either the generator treated the waste prior to shipment, or the waste met the LDR requirements in the "as generated" condition.

COMPLETION DOCUMENTS LIST: *(in addition to the Completion Notice the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above).*

Measure 1 -

Expectation 1:

Regular: The contractor shall submit a letter report to RL by 10/19/01 that documents the quantity of MLLW treated and disposed, and/or direct disposed during FY 2001. The report shall include inventories, processing dates, associated Package Identification Numbers (PIN's), the type of treatment used, and the final disposal location.

Stretch: The contractor shall submit a letter report to RL by 10/19/01 that documents the quantity of MLLW treated and disposed, and/or direct disposed during FY 2001. The report shall include inventories, processing dates, associated Package Identification Numbers (PIN's), the type of treatment used and the final disposal location.

The contractor shall submit a letter report to RL by 10/19/01 documenting the disposal of the two condensers. The report shall include before and after photographs of both treatment and disposal for each condenser and a description of all treatment performed on the condensers in order to place them in a compliant condition allowing for disposal.

The same letter report may be utilized for both the regular and stretch expectations, but it is to clearly demonstrate how each part of the expectation was met.

Measure 2 -

Expectation 1:

Regular and Stretch:

The contractor shall submit a letter report to RL by 10/19/01, documenting by container identification number (CIN) the quantity of TRU and/or TRUM certified for shipment to WIPP during FY 2001. In addition, the report shall include a completed Attachment 2 (Reconciliation with Data Quality Objectives) of WMH-400, Section 7.1.1, for each container of TRU and/or TRUM certified.

FY 2001 PERFORMANCE INCENTIVE: Manage, Treat, and Dispose of Radioactive Waste

Measure 3 -

Expectation 1:

Stretch: The contractor shall submit a letter report to RL by 10/19/01 documenting the number of uncovered vented drums retrieved by their associated Package Identification Number (PIN) and the waste designation (LLW or TRU) of the drums.

DUPLICATE
ORIGINAL

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If the remedy is not possible the next step is renegotiation).*

Measure 1 - The EC-1 condenser to be removed from 242-A as part of the FY 2001 upgrades is contingent upon timely funding and support from the River Protection Project (RPP). Should funding and support from the RPP not allow for the removal and delivery of the condenser to the T-Plant facility by 6/30/01, the EC-1 condenser disposal expectation of this Measure will be reassessed.

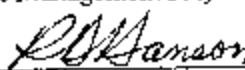
Measure 2 - It is anticipated that further changes to the WIPP WAC and/or WIPP Permit requirements will not occur for CH TRU and/or TRUM during FY 2001. If changes to the WIPP WAC and/or WIPP Permit requirements occur that are outside the control of the Contractor and invalidate previous certification data, the Contractor shall submit to RL a revised path forward with 20 calendar days as the basis for the baseline change request and renegotiation of this Performance Incentive.

Measure 3 - If safety related hazards are identified during the performance of this work scope that are outside the existing authorization basis of the associated facilities, the Contractor shall submit to RL a revised path forward within 20 calendar days as the basis for a baseline change request and re-negotiation of this Performance Incentive Expectation.

**SECTION 6
SIGNATURES**


E.S. Aromi, Sr. Project Director
Waste Management Project

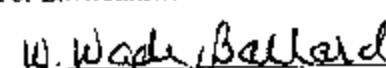
11/20/00
Date


R.D. Hanson, President & CEO
Fluor Hanford, Inc.


11/2/00
Date


H.E. Bilson, Assistant Manager
For Environmental Restoration and Waste Management

11/3/00
Date


W. W. Ballard, Assistant Manager
For Planning and Integration

11/3/00
Date


K.A. Kline, Manager
Richland Operations Office

11/5/00
Date

FY 2001 PERFORMANCE INCENTIVE: Assist in the Creation of Non-Hanford Jobs**SECTION 1
GENERAL INFORMATION**

Performance Agreement Number: FHI-AS-1
 Performance Agreement Short Title: Assist in the Creation of Non-Hanford Jobs
 Revision Number & Date: Rev. 0, 10/31/00
 Maximum Available Incentive Fee: -2.4% of available fee in Contract Clause B.4
 Performance Agreement Type: ☒ Regular ☐ Stretch ☐ Superstretch
 (check appropriate box)

**DUPLICATE
ORIGINAL****SECTION 2
PERFORMANCE OUTCOMES**

Check appropriate box:

- ☐ Outcome #1: Restore the River Corridor for multiple uses
☐ Outcome #2: Transition Central Plateau to support long-term waste management
☒ Outcome #3: Put DOE Assets to work for the Future

**SECTION 3
PERFORMANCE OBJECTIVE(S), MEASURES PERFORMANCE EXPECTATION(S)**

List associated performance objectives, measures, and performance expectations. Identify associated PBS # for each performance objective and/or measures.

Performance Objective: Assist in the Creation of Non-Hanford Jobs

PBS N/A

Measure 1 - Number of new Non-Hanford jobs created

(Number of cumulative jobs helped to be created for the 8-county region surrounding the Hanford Site)

Expectation(s)
FY01

Regular
2,550 (Cumulative, beginning FY 1997)
[70% of 3000 less 1,502 (number of P4MC cumulative
Validated jobs thru FY1999)]

**SECTION 4
FEE SCHEDULE**

Identify fee schedule by performance objective and/or measure(s)

Regular = 100% of the available fee for this Performance Incentive

Regular

Negative fee only - maximum fee forfeited = -2.4% of available fee in Contract Clause B.4

FY 2001 PERFORMANCE INCENTIVE: Assist in the Creation of Non-Hanford Jobs**SECTION 5
PERFORMANCE REQUIREMENTS**

PREVIOUS YEAR'S GATEWAY: *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.*

NONE

DUPLICATE
ORIGINAL

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive.

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared).*

"Completion" shall occur after DOE-RL formally approves the claims as submitted by FHI in required documentation as follows (minimum): (1) summary table; (2) job count information; and (3) job assistance information. These are further explained in the following:

1. Summary table - Table listing jobs helped-to-be-created - by company.
2. Job Count Information - Supporting, auditable information verifying, by company, the number of jobs claimed. The jobs claimed are to meet the criteria as documented in section 2.4 *Crediting Local Job Creation and Attraction Assistance* of the Economic Transition Plan for FY 2000 or later updates to these criteria for 2001 as mutually agreed for the FY 2001 Economic Transition Plan.
3. Job Assistance Information - Supporting information regarding "Material Support" provided by FHI in helping to create the claimed jobs. This information must address the criterion "Material Assistance" included in Table 1 of the above referenced document and be sufficiently complete and well-written to permit review by off-Site experts, who are to advise DOE-RL on the sufficiency of the FHI assistance provided.

DEFINITIONS: *(define terms)*

1. Non-Hanford jobs - Jobs created that do not depend on the DOE-RL mission at Hanford nor the funding allocated by Congress to carry out the Hanford mission.
2. Cumulative jobs - The total number of jobs credited by DOE-RL for past FYs, beginning in FY 1997, and including those claimed through FY 2001. Jobs credited to date are as follows: FY 97 = 201; FY 98 = 319; FY 1999 = 982; total cumulative jobs credited thru FY 1999 = 1502.
3. "8-county region" - Benton and Franklin Counties, plus the following other counties near the Hanford Site: Grant, Adams, Walla Walla, Umatilla (in Oregon), Klickitat, and Yakima.

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above).*

The following documentation, as specified in "Define Completion above":

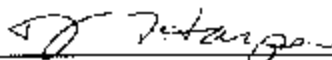
1. Summary Table
2. Job Count Documentation
3. Job Assistance Information

FY 2001 PERFORMANCE INCENTIVE: Assist in the Creation of Non-Hanford Jobs

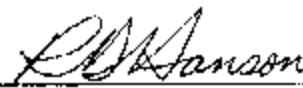
ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: (For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation).

NONE

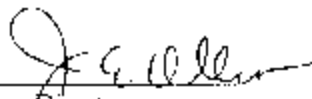
DUPLICATE
ORIGINAL**SECTION 6
SIGNATURES**


T.J. Harper, Vice President
Site Services

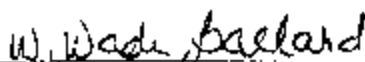
11/2/00
Date


R.D. Hanson, President CEO
Fluor Hanford, Inc.

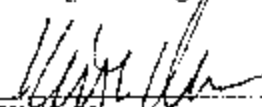
11/2/00
Date


J.E. Ollero, Director
Office of Training Services and Asset Transition

11/2/00
Date


W. W. Ballard, Assistant Manager
For Planning and Integration

11/3/00
Date


K.A. Klein, Manager
Richland Operations Office

11/5/00
Date

FY 2001 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive

**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FHI - Comprehensive
Performance Incentive Title: Comprehensive Performance
Revision Number & Date: Rev. 0, 10/31/00
Maximum Available Incentive Fee: Up to 20% of available fee in Contract Clause B.4
Performance Incentive Type: ☒ Regular ☐ Stretch ☐ Superstretch
(Check appropriate box)

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**SECTION 2
PERFORMANCE OUTCOMES**

Check appropriate box:

- ☒ Outcome #1: Restore the River Corridor for multiple uses
☒ Outcome #2: Transition Central Plateau to support long-term waste management
☒ Outcome #3: Put DOE Assets to work for the future

**SECTION 3
PERFORMANCE OBJECTIVE (S) MEASURE (S) & EXPECTATION (S)**

List associated performance objectives, measures, and performance expectation. Identify associated PBS# for each performance objective and/or measures as appropriate

- Performance Objective/Measure 1 - Safety: Protect worker safety and health, public safety and health, and the environment.
Performance Objective/Measure 2 - Operational Excellence: Operate in a manner conducive to excellence and quality.
Performance Objective/Measure 3 - Responsible Stewardship: Provide responsible stewardship of Hanford assets and resources; and acquire goods and services fairly, cost effectively, and competitively.
Performance Objective/Measure 4 - Effective Leadership: Provide corporate leadership to improve management effectiveness collaborate and participate proactively with our customers and value workers and provide a supportive environment.

**SECTION 4
FEE SCHEDULE**

Identify fee schedule by, performance objective and/or measure(s)

- Performance Objective/Measure 1 - Safety: Negative fee only up to 20% of fee available for this Performance Incentive.
Performance Objective/Measure 2 - Operational Excellence: Incentive fee up to 44.5%; negative fee up to 18.5% of fee available for this Performance Incentive.
Performance Objective/Measure 3 - Responsible Stewardship: Incentive fee up to 10.5%; negative fee up to 7.5% of fee available for this Performance Incentive.
Performance Objective/Measure 4 - Effective Leadership: Incentive fee up to 45%; negative fee up to 30% of fee available for this Performance Incentive.

FY 2001 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive

**SECTION 5
PERFORMANCE REQUIREMENTS**

PREVIOUS YEAR'S GATEWAY: *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this Performance Incentive. The requirements listed below are the gateway only requirements for this Performance Incentive.*

NONE

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GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Fully comply with all terms and conditions of the Contract. Nothing in this Performance Incentive shall relieve the Contractor from complying with any terms and conditions of the Contract, and
2. Meet the specific completion criteria and expectations set forth in this Performance Incentive.

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared.*

Performance Objective/Measure 1 - Safety: The Contractor shall protect worker safety and health, public safety and health, and the environment.

1A. Maintain and improve the approved Integrated Safety Management System (ISMS).

Performance Expectation:

- Ensure all operations are conducted in accordance with the approved ISMS System Description.
- In accordance with PHMC Contract No. DE-AC06-96RL1320, Modification M086, dated October 1, 1999, DEAR Clause 970.5204-78 (dated June 1997) and DEAR Clause 970.5204-2 (dated June 1997) maintain compliance with all applicable federal, state, and local statutes and regulations.
- Self disclose regulatory non-compliance and enact self-correction of the situation in a timely manner.
- Perform timely and effective corrective actions for non-compliances and/or deficiencies identified by DOE or other regulatory entities.
- Resolve opportunities for improvement identified during previous ISMS Phase I and Phase II verifications. (Note: Due dates are tracked in corrective action tracking system).
- In accordance with DEAR Clause 970.5204-2 (dated June 1997), and reference to DOE Policy 450.5 as a guide, and the Contractor's memorandum FH-0005248, dated 9/26/00, review, update, and submit, for DOE-RL approval, safety performance objectives, performance measures, and commitments.

Determination of Fee:

Up to 20% of fee available for this Performance Incentive will be forfeited if the Contractor fails to satisfactorily meet 1A. The determination as to the overall effectiveness of the Contractor's performance against this Performance Objective/Measure shall be made by the DOE-RL Manager, or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

Determination of non-compliance with the approved ISMS System Description and/or applicable regulatory requirements may be based on input from the following sources: (1) written enforcement actions from regulatory agencies and (2) findings of DOE-RL staff. Determination shall in part be based on potential or real impact to protection of the workers, the public and the environment. Consideration will be given to such factors as severity, seriousness, and number of violations, toxicity, volume, persistence and/or duration of the violation.

FY 2001 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive

Performance Objective/Measure 2 - Operational Excellence: The Contractor shall operate in a manner conducive to excellence and quality.

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2A. Migrate systems to facilitate PBS restructuring in FY 2002.

Performance Expectation:

- Transition data within existing systems into a new configuration that effectively implements the new PBS/WBS structure. New structure shall be implemented and be operational by 09/28/01 and crosswalk technical schedule and cost down through Level IV of the revised WBS structure.
- Provide an effective cross walking capability of information as identified in the Draft BUG II, between prior years and current year.
- Maintain an earned value management system during and after the transition that generally conforms to the ANSI/EAI Standard 748, Earned Value Management System (EVMS).

Determination of Fee:

Up to 7.5% of fee available for this Performance Incentive fee may be earned for Performance Objective/Measure 2A. The fee determination shall be made by the DOE-RL Manager, or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

Determination of satisfactory performance will also be based on the following: (1) Cost/Schedule Control Data, (2) findings of DOE-RL staff, and (3) modification of systems in a manner that provides required crosswalk of information between fiscal years. Determination will also be made giving consideration to such factors as impact on DOE-RL operations including budget formulation, Multi-Year Work Plan development and other budget-related activities.

2B. Rebaseline completed per Baseline Updating Guidance (BUG).

Performance Expectation:

- MYWP and AWP products adhere to BUG, or deviations are agreed to, in writing, by DOE-RL prior to implementation by FHI.
- Deliverables are of acceptable quality, as determined by DOE-RL.
- Deliverables are received per BUG schedules.
- Deliverables are responsive to customer requirements; complete in both content and number of copies, and provide electronic submittal as required by the BUG.

Determination of Fee:

Up to 15% of fee available for this Performance Incentive may be earned for Performance Objective/Measure 2B. The fee determination shall be made by the DOE-RL Manager, or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

Determination of satisfactory performance will also be based on (1) adherence to direction provided by DOE-RL, (2) timeliness and quality of deliverables, and (3) findings of DOE-RL staff.

2C. Integrate Project Deliverables to DOE-RL.

Performance Expectation:

- Contractor ensures that changes to a project adequately and appropriately consider the associated impacts to other projects both within and without the Contractors scope of work, and that the change optimizes the completion of the cleanup of Hanford.
- Contractor consistently provides a critical analysis of all project changes, including any affects on other projects.

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FY 2001 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive

- Contractor consistently executes and documents a critical analysis and provides a concise overview of all proposed changes that affect other Site projects. The overview shall be in adequate detail to allow DOE-RL review of the change and its affect on other projects.
- Establish and support a routine inter-contractor integration meeting to discuss and manage interface impacts and issues. The meeting will be chaired by DOE-RL. (November 1, 2000 to September 30, 2001).
- Provide concise overview of the Contractor's change proposals that affect interfaces within the PHMC and with other site contractors (November 1, 2000 to September 30, 2001).

Determination of Fee:

Up to 3.5% of fee available for this Performance Incentive will be forfeited if the Contractor fails to satisfactorily meet 2C. The determination as to the overall effectiveness of the Contractor's performance against this Performance Objective/Measure shall be made by the DOE-RL Manager or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

Determination of satisfactory performance will also be based on (1) the effectiveness of the Contractor's management programs, (2) the Contractor's ability to evaluate inter-project impacts and mitigate identified impacts in a manner that optimizes progress, and (3) the severity and number of instances where impacts are not properly/adequately evaluated.

2D. Increase discipline of project controls, practices and baseline improvement.

Performance Expectation:

- Within the constraint of DOE-RL policies, effectively implement improvement to the baseline change control process and apply it uniformly to all of the Contractor's projects. Accomplish this improvement in partnership with DOE-RL, and include provisions for contractor support to the RL change control board. Complete this activity by 12/31/00.
- Provide DOE-RL with monthly reports to include cost and schedule performance data (earned value) at one level below the PBS level of the FY 2001 WBS. Include the status of technical scope via accomplishments, issues, and critical performance measures. These data may be added to an existing report. First report (with December 2000 data) is due 1/25/01.
- Improve and communicate spending forecast and estimates at completion (estimated cost to complete utilizing the approved FY 2001 work scope).

Determination of Fee

Up to 15% of fee available for this Performance Incentive will be forfeited if the Contractor fails to satisfactorily meet 2D. The determination as to the overall effectiveness of the Contractor's performance against this Performance Objective/Measure shall be made by the DOE-RL Manager or his designee, giving consideration to input provided by DOE-RL staff.

Determination of satisfactory performance will be based on the performance of the Contractor's baseline change control process including: (1) the timeliness in completing the Baseline Change Request (BCR) process improvement, (2) uniformity in the application of the process, and (3) the accuracy of reports continuing of application of the Contractor's management programs. Determination will consider such factors as impact on Hanford cleanup progress and the severity and number instances where baseline change control performance fails to provide cost, schedule and technical status data as defined in the DOE/RL partnership related to the RL change control board.

FY 2001 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive

- 2F. Integrate Technology into Project: Provide Effective Science & Technology (S&T) Integration and Application by effectively planning and deploying science and technology to reduce technical risk, accelerate schedule, and satisfy Hanford Site Technology needs.

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Performance Expectation:

- Conduct science and technology reviews to identify and quantify areas of high technical risk/uncertainty, and develop near and long-term mitigation plans (e.g., S&T plans, technology roadmaps). These plans will include Technology Insertion Points (TIPs) and S&T Data, and will identify the necessary S&T work scope within the appropriate MYWP baseline:
 - Provide a schedule of eight or more S&T reviews for FY01 by 12/01/00 with supporting logic for the chosen reviews.
 - Submit TIPs for FY01, FY02, and FY03 by 12/15/00.
 - Input S&T Data into IPABS by 01/12/01; and
 - Submit two or more S&T Plans by 06/30/01.
- Deploy (and document within 45 days of deployment) technologies that provide solutions to areas of need identified by the S&T reviews. Documentation of deployment should include certification of acceptance by appropriate contractor project management. Documentation of all deployments for FY01 shall be complete prior to 10/31/01.
- Document the benefit derived from the deployment of each technology using the Return on Investment (ROI) models similar to the approach/format used by the Pollution Prevention (P2) Program. ROI documentation should be submitted in conjunction with corresponding documentation of deployment.
- Contribute to the Contractor's portion of the S&T-related EM Corporate Performance as documented in the IPABS-IS.
- Complete all TIP milestones in accordance with project schedules and provide documentation supporting each TIP decision.
- Provide monthly progress reports to Science and Technology Programs that status technology reviews, Needs, TIPs, deployments, demonstrations, and other activities of Technology Management.
- Participate and provide leadership in Site Technology Coordination Group subgroup activities.
- Create and manage a pilot program that will fund or leverage the deployment of technologies that will be beneficial in expediting successful completion of Hanford Project activities.

Determination of Fee:

Up to 15% of fee available for this Performance Incentive may be earned for performance Objective/Measure 2E. The fee determination shall be made by the DOE-RL Manager, or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff. Consideration will be given to the amount of ROI calculated for FY01 deployments.

- 2F. Achieve Pollution Prevention/Waste Minimization: Executive Order (EO) 13101 requires the diversion of sanitary waste from landfills, and increased purchases of Environmental Protection Agency (EPA) designated recycled-content products. The Secretary of Energy established waste reduction goals for waste generated from routine operations. Accordingly, the Contractor shall facilitate compliance with the Executive Order and the Secretary of Energy goals.

Performance Expectation:

- Meet the Contractor's portion of the routine waste reduction, sanitary recycling and affirmative procurement goals as addressed in the "Strategy for Meeting the Secretary of Energy's and Hanford Site Fiscal Year 2001 Pollution Prevention Goals", DOE-RL-2000-68, dated October 2000.

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FY 2001 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive

- Develop a program plan recommending sources of on-site funding for Return-on Investment projects and recommendations for implementation.
- Physically move one rail well car from its current location at 212-R to a location approved by DOE-RL COR, either on or off the Hanford Site, that meets all applicable DOE Orders, and Federal and State Statutes.

Determination of Fee:

Up to 7% of fee available for this Performance Incentive may be earned for Performance Objective/Measure 2F. The fee determination shall be made by the DOE-RL Manager or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

Performance Objective/Measure 3 - Responsible Stewardship: The contractor shall provide responsible stewardship of Hanford assets and resources; and acquire goods and services fairly, cost-effectively, and competitively.

- 3A. Provide Efficient & Effective Site Infrastructure & Support Services: The Contractor shall provide efficient and effective site infrastructure and support services (e.g., analytical services, utilities, maintenance, general-purpose facilities and information management) commensurate with site mission needs.

Performance Expectation:

- Provide the required infrastructure and support services as efficiently and effectively as possible, within the constraints such as funding and labor agreements.
- Match infrastructure and service requirements in concert with mission requirements (i.e., alignment with Site Critical Outcomes).
- Provide infrastructure services to all site prime and sub-contractors in an equitable manner.
- Meet expectations for all sections of the DOE-RL's FY 2001/2002 Energy Management Performance Agreement executed with HQ-EE.

Determination of Fee:

Up to 7.5% of fee available for this Performance Incentive will be forfeited if the Contractor fails to satisfactorily meet 3A. The determination as to the overall effectiveness of the Contractor's performance against this Performance Objective/Measure shall be made by the DOE-RL Manager or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

- 3B. Achieve Effective Property Management: The FY 2000 efforts resulted in the generation of a baseline list of facilities to evaluate for marketable property, and agreements to prepare personal property availability packages for 616 pieces of property. Approximately 35% of this total was completed in FY 2000.

Performance Expectation:

- Complete personal property availability packages for the remaining quantity, resulting in a two-year total of 616 pieces of property.
- Focus on property that is free releasable, or with minimal or no radioactive contamination. The property shall be evaluated and selected based on the Contractor's knowledge, experience, potential economic value, and DOE-RL requirements.

Determination of Fee:

Up to 3% of fee available for this Performance Incentive may be earned for Performance Expectation 3B. The fee determination shall be made by the DOE-RL Manager or his designee, based on satisfactory accomplishment of the expectations above, and giving consideration to input provided by DOE-RL staff.

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FY 2001 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive

Determination of satisfactory performance will also be based on delivery of a project plan (scope of work, performance schedule, and cost estimate) by 11/30/00 and delivery of personal property availability packages for the remainder of the 616 pieces of property by 9/30/01.

- 3C. **Achieve Effective Small Business Advocacy Program:** The Contractor shall demonstrate their purchasing system includes effective small business advocacy program to support DOE's responsibility to award a fair proportion of DOE appropriated dollars to small business concerns. The Contractor shall use all appropriate means to improve its performance in making awards to small business.

Performance Expectation:

- Exceed the mutually established goals in every small business strategy category of the Subcontract Plan.
- Provide creditable documentation that accounts for established goals and the statistics used to exceed them.
- Validate maximum practicable utilization of small business by utilizing the tools available to DOE contractors as established in Acquisition Letter 2002-02 with an emphasis in Part II, items B, C, E and F.
- Educate the small business community on a quarterly basis in doing business with the Hanford Site.
- Develop acquisition strategies from MYWPs that will identify and expand opportunities for the small business community.

Determination of Fee:

Up to 7.5% of fee available for this Performance Incentive may be earned for Performance Objective/Measure 3C. The fee determination shall be made by the DOE-RL Manager or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

Performance Objective/Measure 4 - Effective Leadership: Provide corporate leadership to improve management effectiveness, collaborate and participate proactively with our customers, and value workers and provide a supportive environment

The Contractor is responsible for conducting activities and work in accordance with applicable criteria and standards in performing the total requirements of the contract. Some activities and work are addressed by specific performance incentives. Effective leadership is expected to guide and direct these activities and work to achieve desired outcome for all contract activities, including those activities for which there are no specific performance incentive.

- 4A. **Management Effectiveness:** The Contractor shall institutionalize organizational and management system improvements and significantly increase management effectiveness and control of its contractual work activities.

Performance Expectation:

- Manage for results.
- Provide proactive leadership to effectively manage and resolve technical issues:
 - Manage and resolve unanticipated issues to reduce impacts to baseline work scope.
 - Submit quality and timely technical documents.
 - Provide timely communications to DOE-RL staff to present and status technical issues and resolution.
- Improve issues management: adequately investigate and understand the full depth and breadth of deficiencies/issues and eliminate recurring deficiencies.
- Maintain a contractor self-assessment process to measure managerial effectiveness for continuous improvement.
- Ensure that work is being conducted in accordance with established requirements, policies and procedures.
- Implement appropriate management action to minimize non-work related activities and maximize work force productivity.

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FY 2001 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive

- 4B. **Customer Satisfaction:** Customer satisfaction is a desired outcome for all contract activities, including those activities for which there are no specific performance incentives.

Performance Expectation: In addition to meeting explicit contract requirements, the Contractor shall:

- Maintain a posture of constructive cooperation and openness with regulators and stakeholders. Contractor actions must be consistent with and supportive of DOE-RL's mission.
- Work cooperatively with other site entities for site-wide planning of work.
- Partner, team, and coordinate with other Hanford contractors and local economic development organizations to help in creating non-Hanford jobs. The number and quality of contacts and surveys of contractors and local economic development organizations will be included as part of the basis for performance evaluation.
- Be responsive to customer direction and requirements of the CO and/or COR.
- Respond to allegations of hostile work environment and a chilling effect in an expeditious manner, and ensure free flow of information between employee and DOE-RL.

- 4C. **Effective Financial Management:** The Contractor shall fulfill its contractual obligation in a fiscally responsible manner.

Performance Expectation:

- Perform periodic (at least monthly) assessment and take necessary corrective action to ensure cost plus commitments at each funds control point (1) does not exceed FY 2001 Budget Authority (BA) and beginning prior year unvested obligations, (2) are for DOE authorized work scope, and (3) are within the time limitation established by the Appropriation.
- Notify DOE-RL promptly, in writing, when there is a reason to believe any funds control point(s) will be exceeded, along with a proposed corrective action plan.
- Take action(s) to ensure funds control point(s) will not be violated. Corrective action shall be coordinated with DOE-RL Contracting Officer.
- Notify DOE-RL promptly when there is a reason to believe that funds control point(s) will be substantially underrun.

Determination of Fee:

Up to 30% of fee available for this Performance Incentive may be forfeited and up to 45% of fee available for this Performance Incentive fee may be earned for Performance Objective/Measures 4A-C. The DOE-RL Manager, or his designee shall make the fee determination. The determination as to the overall effectiveness of the Contractor's leadership shall be based on, but not limited to, satisfactory performance against the performance expectations above.

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice the document(s) that should be submitted/data that should be available/actions to be taken by evaluator to determine actual performance to the requirements stated above.*

The Contractor shall provide a self-assessment addressing each performance expectation under this Performance Incentive by 10/31/01. This is in addition to the self-assessment specifically identified within the Performance Objective(s)/Measure(s).

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Page 46 of 47

FY 2001 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive

SECTION 6
SIGNATURES



E.W. Penn, Vice President
Project Control

11/2/00

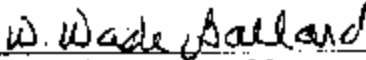
Date



R.D. Hanson, President & CEO
Fluor Hanford, Inc.

11/2/00

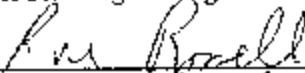
Date



W.W. Ballard, Assistant Manager
For Planning & Integration

11/3/00

Date



R. M. Rosselli, Deputy Manager
Business Services

11/2/00

Date



K.A. Klein, Manager
Richland Operations Office

11/5/00

Date

**PART III – LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

**FEE PLAN
SECTION J**

APPENDIX H

FOR THE PERIOD OCTOBER 1, 2000 – SEPTEMBER 30, 2001

1. The total available fee pool for FY01 as set forth in Clause B.4 entitled "Estimated Cost and Fee" of this Contract is allocated as follows:

Base Fee – none
Award Fee – none
Performance fee – 100%

2. 20% of the available positive incentive fee in Clause B.4, and -15.2% of negative incentive fee, is allocated to a Comprehensive Incentive. The performance incentive "FHI – Comprehensive" establishes the bases to measure comprehensive performance. The remaining performance fee amount is allocated to the objectives, measures and/or expectations as follows:

Objective – 0.0%
Measures – 0.0%
Expectations – 100%

3. The specific percentage of fee assigned to an individual objective, measure, or expectation is set forth in the Performance Incentives. Available fee is suballocated into fee for regular performance, stretch performance, and negative fee for poor performance. If the contractor fails to meet a given performance objective, measure, or expectation, a negative incentive fee will result (if applicable). For negative incentive fee, the specific amount will be deducted from the total amount of fee otherwise earned. However, in no event will the amount deducted for failure to meet performance objectives, measures, or expectations exceed the total amount of fee earned on all regular and stretch incentives.



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

01-PRO-081

NOV 07 2000

Mr. R. D. Hanson, President
Fluor Hanford, Inc.
Richland, Washington 99352

Dear Mr. Hanson:

CONTRACT NO. DE-AC06-96RL13200 – EXECUTION OF CONTRACT MODIFICATION
M122

Enclosed for your files is one fully executed original of contract modification M122,
including one duplicate original set of Fiscal Year 2001 Performance Incentives. If you have any
questions regarding this matter, please contact me at (509) 376-8948.

Sincerely,

ORIGINAL SIGNED BY:

Sally A. Sieracki
Contracting Officer

PRO:GFC

Enclosures

cc w/encls:
J. L. Jacobsen, FHT

bcc w/encls:
PRO Off File
PRO Rdg File
CCC Rdg File
G. F. Champlain, PRO
Record Note: None
H:\Plunc\Mods\M122\Mod M122 Execution Ltr

RECEIVED

NOV 07 2000
DOE RL/CCC

Office >	PRO <i>Dec</i>	PRO <i>Dec</i>				
Surname >	CHAMPLAIN	SIERACKI <i>S</i>				
Date >	7 Nov 00	7 Nov 00				

(Please return to Rosie Garza 6-7736 AT-80/FED FAX 6-5370)

Document No. 23795